NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

### 7

# PAID UP OIL AND GAS LEASE (No Surface Use)

THIS LEASE AGREEMENT is made this 1211-	day of May	, 2008, by	and between
Esther Rubic FIKIA Esth	er R. Abreyo hero	in dealing in her Sale	and separate froper
	office from Dallas Texas ding the completion of blank space	75201, as Lessee. All printed portions of the second prepared jointly by Lessor and Less	as Lessor, is lease were prepared by the party see.
143 ACRES OF LAND, MORE OR LES OUT OF THE Weisen berger #4 Fort World IN VOLUME 338-C, PAGE	S, BEING LOT(S) /2 , TARRANT COUNTY, TE	ADDITION, AN A EXAS, ACCORDING TO THAT CI E PLAT RECORDS OF TARRAN	_, BLOCK <del>/</del> DDITION TO THE CITY OF ERTAIN PLAT RECORDED T COUNTY, TEXAS.
in the County of Tarrant, State of TEXAS, containing reversion, prescription or otherwise), for the purpose of ex substances produced in association therewith (including commercial gases, as well as hydrocarbon gases. In additional now or hereafter owned by Lessor which are contiguous Lessor agrees to execute at Lessee's request any additional of determining the amount of any shut-in royalties hereunder	ploring for, developing, producing jeophysical/seismic operations). on to the above-described leased is or adjacent to the above-descri- or supplemental instruments for a	and marketing oil and gas, along with all The term 'gas' as used herein includes premises, this lease also covers accretion bed leased premises, and, in consideration more complete or accurate description of th	hydrocarbon and non hydrocarbon helium, carbon dioxide and other s and any small strips or parcels of of the aforementioned cash bonus, he land so covered. For the purpose
2. This lease, which is a "paid-up" lease requiring no or as long thereafter as oil or gas or other substances covered otherwise maintained in effect pursuant to the provisions here.  3. Royalties on oil, gas and other substances product separated at Lessee's separator facilities, the royalty shall be a considered at Lessee's separator facilities, the royalty shall be a considered at Lessee's separator facilities, the royalty shall be a considered at Lessee's separator facilities, the royalty shall be a considered at Lessee's production of the same field the same field prevailing price) for production of similar grade and graves and the costs Lessee shall have the continuing right to purchase such production, severance, or other excise taxes and the costs Lessee shall have the continuing right to purchase such production, such price then prevailing in the same field, then in the reference will be not be asset to product the same or nearest preceding date as the date on which Lessee walting on hydraulic fracture stimulation, but such well or be deemed to be producing in paying quantities for the purposite from is not being sold by Lessee, then Lessee shall be a considered below, on or be while the well or wells are shut-in or production there from is being sold by Lessee from another well or wells on the lefollowing cessation of such operations or production. Lesse terminate this lease.  4. All shut-in royalty payments under this lease shall the content of the production of the same shall be a content.	hereby are produced in paying queef.  and and saved hereunder shall be and and saved hereunder shall be be to the first of the processor's transportation facilities, provider in the proceeds realized by Lesser incurred by Lessee in delivering, induction at the prevailing wellhead learest field in which there is such assee commences its purchases in are capable of either producing wells are either shut-in or producing wells are either shut-in or producing sose of maintaining this lease. If pay shut-in royalty of one dollar profers the end of said 90-day period not being sold by Lessee; provide assed premises or lands pooled these's fallure to properly pay shut-in reporting the pay shut-in reporting the said species and the property pay shut-in reporting the pay shut-in reporting the property pay shut-in reporting the pay shut-in reporting	antities from the leased premises or from la paid by Lessee to Lessor as follows: (a) F  (3) %) of such production, to ided that Lessee shall have the continuing prevailing in the same field, then in the net head gas) and all other substances cole from the sale thereof, less a proportion processing or otherwise marketing such gas market price paid for production of similar of a prevailing price) pursuant to comparable ereunder; and (c) if at the end of the primarbili or gas or other substances covered here ion there from is not being sold by Lessee, for a period of 90 consecutive days such we are acre then covered by this lease, such per and thereafter on or before each anniversed that if this lease is otherwise being maint revewith, no shut-in royalty shall be due unto royalty shall render Lessee liable for the acceptance.	for oil and other liquid hydrocarbons to be delivered at Lessee's option to right to purchase such production at earest field in which there is such a wered hereby, the royalty shall be hate part of ad valorern taxes and so or other substances, provided that juality in the same field (or if there is purchase contracts entered into on ry term or any time thereafter one or by in paying quantities or such wells such well or wells shall nevertheless ell or wells are shut-in or production hayment to be made to Lessor or to any of the end of said 90-day period ained by operations, or if production the end of the 90-day period next amount due, but shall not operate to

4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in <u>at lessor's address above</u> or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or lenders may be made in currency, or by check or last draft and such payments or tenders to Lessor or to the depository by deposit in the US Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments.

5. Except as provided for in Paragraph 3, above, if Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased

5. Except as provided for in Paragraph 3, above, if Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not otherwise being maintained in force it shall nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as any one or more of such operations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities hereunder, Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill

6. Lesses shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barret and "gas well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barret and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barret, based on 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment, and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in facilities or equivalent testing equipment, and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in facilities or equivalent testi

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalities hereunder, Lessee may pay or tender such shut-in royalities to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferred to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalities hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut in royalties shall be proportionately reduced

in accordance with the net acreage interest retained hereunder.

in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures.

now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied coverants of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon

Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to

purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable

there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom navment is made, and in addition to its other rights may reignburge itself out of easy requirities of the payshe to Lesser hereunder. In the event

whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until

Lessee has been furnished satisfactory evidence that such claim has been resolved.

16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

operations.

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be executed in counterparts, each of which is deemed an original and all of which only constitute one original DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms

which Lessee has or may negotiate with any other lessors/oil and gas owners.

	is of the date first written above, but upon execution shall be binding on the signatory and the signato s, whether or not this lease has been executed by all parties hereinabove named as Lessor.	ry's
LESSOR (WHETHER ONE OR MORE)		
By: Esther Rubic	By:	
STATE OF Texas COUNTY OF TEXAS	ACKNOWLEDGMENT	
This instrument was acknowledged before me on the by: ESTIME KLUIC	137 day of May	
Cay Commission Expires October 05, 2011	Notary Public, State of  Notary's name (printed): Notary's commission expires:	? C.
STATE OF COUNTY OF This instrument was acknowledged before me on the by:	, 2008,	



#### DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

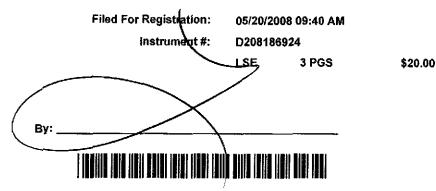
**DALLAS** 

TX 75201

Submitter: DALE RESOURCES LLC

#### SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

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D208186924

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